

SOUTHEAST NEIGHBORHOOD SCHOOL OF EXCELLENCE

2012-2013 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?	
STANDARD	<p>2.1-1: The school demonstrates satisfactory performance in all areas identified: Enrollment Variance, Current Ratio, Days Cash on Hand and Debt Default</p> <p>2.1-2: The school demonstrates satisfactory performance in all areas identified: 3 Year Aggregate Net Income, Debt to Asset Ratio, and Debt Service Coverage Ratio</p> <p>2.1-3: The school does not present concerns in the financial audit or financial reporting requirements</p>

2012-13 2.1-1 Performance: **Approaching Standard**

Indicator	Ratio	Measures	Rating	2012-13	2012-13
2.1 Short Term Health	Enrollment Variance Ratio	Enrollment Ratio equals or exceeds 99%	<i>Meets Standard</i>	93%	Approaches
		Enrollment Ratio is between 90% - 98%	<i>Approaching Standard</i>		
		Enrollment Ratio is less than or equal to 89%	<i>Does Not Meet Standard</i>		
	Current Ratio	Current Ratio equals or exceeds 1.1	<i>Meets Standard</i>	2.82	
		Current Ratio is between 1.0 - 1.1	<i>Approaching Standard</i>		
		Current Ratio is less than or equal to 1.0	<i>Does Not Meet Standard</i>		
	Days Cash On Hand	Days cash on hand equals or exceeds 45	<i>Meets Standard</i>	35	
		Days cash on hand is between 30-45 days	<i>Approaching Standard</i>		
		Days cash on hand is less than or equal to 30 days	<i>Does Not Meet Standard</i>		
	Debt Default Evidence	Not in default or delinquent	<i>Meets Standard</i>	Meets	
Default or delinquent		<i>Does Not Meet Standard</i>			

Southeast Neighborhood School of Excellence (SENSE) **approached** standard for core question 2.1-1 for the 2012-13 school year. Based on data from the September 2012 count day, the school's enrollment was slightly lower than the enrollment targets stated in its charter agreement.

As a result, the school approached standard for this sub-indicator. The school had more current assets than current liabilities (those due in the next 12 months). As a result, the school met standard for this sub-indicator. SENSE ended the year with 35 days of cash on hand. This means that if payments to the school had stopped or been delayed post June 30, 2013, the school would have been able to operate for 35 more days. Based on this data, the school approached standard for this indicator. Finally, the school successfully met its debt obligations based on the information that Sikich, the school's auditor, provided. Furthermore, there were no negative communications from the school's lenders. Since the school met standard for two of the sub-indicators in core question 2.1-1 and approached standard for the remaining two sub-indicators, it approached standard for this section of the core question.

2012-13 2.1-2 Performance: Exceeds Standard

2.2 Long Term Health	3 Year Aggregate Net Income	Aggregate 3 year Net Income is positive and most recent year is positive	<i>Meets Standard</i>	NA	Exceeds
		Aggregate 3 year Net Income is positive and most recent year is negative	<i>Approaching Standard</i>		
	Net Income	Aggregate 3 year Net Income is negative	<i>Does Not Meet Standard</i>	\$314,387.00	
	Debt to Asset	Debt to asset ratio is less than or equal to 0.9	<i>Meets Standard</i>	0.22	
		Debt to asset ratio is between 0.9 - 0.95	<i>Approaching Standard</i>		
		Debt to asset ratio equals or exceeds 0.95	<i>Does Not Meet Standard</i>		
	Debt Service Coverage (DSC) Ratio	DSC ratio equals or exceeds 1.15	<i>Meets Standard</i>	NA	
		DSC ratio is between 1.05-1.15	<i>Approaching Standard</i>		
		DSC Ratio is less than or equal to 1.05	<i>Does Not Meet Standard</i>		

The school **exceeded** standard for core question 2.1-2. The school met standard for the net income sub-indicator in that it generated a positive net income for the fiscal year. It is important to note that the school managed to maintain a positive net income despite an extraordinary loss of \$174,882. This was a non-cash loss and resulted from the Common School Loan forgiveness. Section 3 (page 11) of the notes to the financial statements in the school's audit explain how this calculation was derived. Additionally, the school met standard for the sub-indicator regarding debt to asset ratio as it had more assets than liabilities. The school has no long-term debt or

capital leases. Therefore, it was unnecessary to calculate the debt service coverage ratio. Since the school met standard for both of the sub-indicators, it exceeded standard for core question 2.1-2.

2012-13 2.1-3 Performance: Meets Standard

2.3 Reporting Requirements	Annual Independent Accrual Based Audit	Receives a clean audit opinion	<i>Meets Standard</i>	Meets	Meets
		Receives a clean audit opinion with a few significant deficiencies noted but no material weaknesses	<i>Approaching Standard</i>		
		Receives an audit with multiple significant deficiencies, material weakness or is a going concern	<i>Does Not Meet Standard</i>		
	Financial Reporting Requirements	Satisfies all financial reporting requirements	<i>Meets Standard</i>	Meets	
		Fails to satisfy financial reporting requirements	<i>Does Not Meet Standard</i>		

The school **met** standard for core question 2.1-3. The school met standard for its annual accrual based audit because it received a clean audit with no material weaknesses or significant deficiencies. The school met its financial reporting requirements, and its audit report was issued on November 25, 2013.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

2012-13 Performance: Approaching Standard

SENSE did not meet its enrollment target for 2012-13. Though the school did not meet its enrollment, this was intentional and designed to give the new school leader the ability to transition into the school more smoothly. The school plans to bring its enrollment back up to charter projected targets in subsequent years. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2012-13	400	376	6%

***Source:** Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.*

The 2012-13 the attendance rate at SENSE was below the average of both the county and the state.

	SENSE	MC	IN
2012-13 Attendance rate	93.6%	95.7%	95.8%

No targets have been established for student retention rates for SENSE.

Based on the 2012-13 performance, SENSE **approached** the Mayor's Office standard for this indicator because they were not fully enrolled and had an attendance rate slightly lower than that of both the county and the state.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The Board's membership collectively contributes a broad skill set and fair representation of the community; Board members are knowledgeable about the school; roles and responsibilities of the Board are clearly delineated; Board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the Board provides consistent and competent stewardship of the school.

2012-13 Performance: **Exceeds standard**

The Southeast Neighborhood Schools of Excellence (SENSE) board was experienced and provided competent oversight of the school. The board was comprised of ten members with a diverse range of professional expertise including education, finance and community outreach. The board exhibited extensive knowledge about the school, its policies, and its issues of concern. Board members displayed very strong ties to the community and took into consideration the impact of school based-decisions on the surrounding neighborhoods. The board was proactive in engaging the community and consistently placed a great value on the feedback received from the families of students attending the school. The board voted to expand the school from K-6 to K-7 for the 2013-14 school year and did so only after a very thoughtful decision making process in which community and parent input was encouraged. There was mission alignment between the board and the school leadership, and the board had a positive working relationship with Dr. Kristie Sweeney, the school leader.

The board chair, Ms. Maggie Terp, worked proactively with Mr. Joe Lamgusa, the former chair, to ensure the leadership transition was seamless. Ms. Terp was deeply committed to the mission of the school, leads the board thoughtfully, and works to ensure that the board engages the community in a manner that was conducive to the success of the school. The chair took pride in

promoting not only the school but the community as well. Ms. Terp had a very good working relationship with Dr. Kristie Sweeney, whose first year as school leader was the 2012-13 academic year. They were in continuous contact to ensure that Ms. Terp was fully aware of what was happening at the school. Ms. Terp also proactively communicated with the Mayor's Office of Education Innovation on issues that could impact the school. She regularly engaged in a process of continuous improvement to ensure the board was fulfilling its obligation to provide competent stewardship of SENSE.

The board consistently made quorum and actively engaged in oversight of the school. However, board minutes reflected that there were a few board members that regularly miss meetings and a discussion may have been warranted regarding whether certain members were able to fully commit their time. While the board was able to consistently achieve quorum with the majority of the members always in attendance, the board may want to look to develop an advisory committee for members that cannot regular attend meetings. This would allow members to continue to provide input and expertise, but it would change these members' status to non-voting. Though a very small number of board members missed multiple meetings, the board consistently met quorum and absences did not hinder board business. In addition, the board remained extremely active and engaged, demonstrated strong support for the school leader during her first year, and worked hard to engage the community throughout the expansion of the school from K-6 to K-7. For all of these reasons, the SENSE board **exceeded standard** on this indicator.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2012-13 Performance: Meets Standard

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2012-13, 87% of SENSE parents reported overall satisfaction with the school. Based on this data, the school **met** the Mayor's Office standard for this indicator for the 2012-13 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's leadership a) has sufficient academic and/or business expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among leaders and between leaders and the Board; d) actively engages in a process of continuous improvement which has led to some mid-course corrections.

2012-13 Performance: Meets Standard

In 2012-13 SENSE welcomed a new school leader, Dr. Kristie Sweeney. Dr. Sweeney had a strong instructional background and worked collaboratively with both her board and Business

Manager in making decisions pertaining to operations. She demonstrated a willingness to make constant improvements and made mid-course corrections based on data. For instance, she worked with her board to develop an operations manual. She also re-vamped the school's academic model and implemented a strong focus on data-driven instruction. Therefore, SENSE administration met standard for the 2012-13 school year.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not Evaluated. SENSE did not have school-specific organizational and management performance goals to be evaluated for 2012-13.